

103D CONGRESS
1ST SESSION

H. R. 2816

To amend the Internal Revenue Code of 1986 with respect to the treatment of long-term care insurance policies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1993

Mrs. JOHNSON of Connecticut (for herself, Mr. GOSS, Mr. BILIRAKIS, and Mr. SUNDQUIST) introduced the following bill; which was referred jointly to the Committees on Ways and Means and Energy and Commerce

A BILL

To amend the Internal Revenue Code of 1986 with respect to the treatment of long-term care insurance policies, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) IN GENERAL.—This Act may be cited as the
5 “Long-Term Care Security Act of 1993”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Section 1. Short title; table of contents.

TITLE I—TAX TREATMENT OF LONG-TERM CARE INSURANCE

Sec. 101. Treatment of long-term care insurance or plans.

- Sec. 102. Exclusion for benefits provided under long-term care insurance; inclusion of employer-provided coverage.
- Sec. 103. Qualified long-term services treated as medical care.
- Sec. 104. Certain exchanges of life insurance contracts for long-term care insurance contracts not taxable.
- Sec. 105. Exclusion from gross income for amounts withdrawn from individual retirement plans or 401(k) plans for long-term care insurance.
- Sec. 106. Tax treatment of accelerated death benefits under life insurance contracts.
- Sec. 107. Effective date.

TITLE II—PROTECTION OF ASSETS UNDER MEDICAID THROUGH
USE OF QUALIFIED LONG-TERM CARE INSURANCE

- Sec. 201. Protection of assets through use of qualified long-term care insurance.

1 **TITLE I—TAX TREATMENT OF**
2 **LONG-TERM CARE INSURANCE**
3 **SEC. 101. TREATMENT OF LONG-TERM CARE INSURANCE**
4 **OR PLANS.**

5 (a) GENERAL RULE.—Subpart E of part I of sub-
6 chapter L of chapter 1 of the Internal Revenue Code of
7 1986 is amended by inserting after section 818 the follow-
8 ing new section:

9 **“SEC. 818A. TREATMENT OF LONG-TERM CARE INSURANCE**
10 **OR PLANS.**

11 “(a) GENERAL RULE.—For purposes of this part, a
12 long-term care insurance contract shall be treated as an
13 accident or health insurance contract.

14 “(b) LONG-TERM CARE INSURANCE CONTRACT.—

15 “(1) IN GENERAL.—For purposes of this part,
16 the term ‘long-term care insurance contract’ means
17 any insurance contract issued if—

1 “(A) the only insurance protection pro-
2 vided under such contract is coverage of quali-
3 fied long-term care services and benefits inci-
4 dental to such coverage,

5 “(B) the maximum benefit under the pol-
6 icy for expenses incurred for any day does not
7 exceed \$200,

8 “(C) such contract does not cover expenses
9 incurred for services or items to the extent that
10 such expenses are reimbursable under title
11 XVIII of the Social Security Act or would be so
12 reimbursable but for the application of a de-
13 ductible or coinsurance amount,

14 “(D) such contract is guaranteed renew-
15 able,

16 “(E) such contract does not have any cash
17 surrender value, and

18 “(F) all refunds of premiums, and all pol-
19 icyholder dividends or similar amounts, under
20 such contract are to be applied as a reduction
21 in future premiums or to increase future bene-
22 fits.

23 “(2) SPECIAL RULES.—

24 “(A) PER DIEM, ETC. PAYMENTS PER-
25 MITTED.—A contract shall not fail to be treated

1 as described in paragraph (1)(A) by reason of
2 payments being made on a per diem or other
3 periodic basis without regard to the expenses
4 incurred during the period to which the pay-
5 ments relate.

6 “(B) CONTRACT MAY COVER MEDICARE
7 REIMBURSABLE EXPENSES WHERE MEDICARE
8 IS SECONDARY PAYOR.—Paragraph (1)(C) shall
9 not apply to expenses which are reimbursable
10 under title XVIII of the Social Security Act
11 only as a secondary payor.

12 “(C) REFUNDS OF PREMIUMS.—Paragraph
13 (1)(F) shall not apply to any refund of pre-
14 miums on surrender or cancellation of the con-
15 tract.

16 “(c) QUALIFIED LONG-TERM CARE SERVICES.—For
17 purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualified long-
19 term care services’ means necessary diagnostic, pre-
20 ventive, therapeutic, and rehabilitative services, and
21 maintenance or personal care services, which—

22 “(A) are required by a chronically ill indi-
23 vidual in a qualified facility, and

1 “(B) are provided pursuant to a plan of
2 care prescribed by a licensed health care practi-
3 tioner.

4 “(2) CHRONICALLY ILL INDIVIDUAL.—

5 “(A) IN GENERAL.—The term ‘chronically
6 ill individual’ means any individual who has
7 been certified by a licensed health care practi-
8 tioner as—

9 “(i) (I) being unable to perform (with-
10 out substantial assistance from another in-
11 dividual) at least 2 activities of daily living
12 (as defined in subparagraph (B)) for a pe-
13 riod of at least 90 days due to a loss of
14 functional capacity, or

15 “(II) having a level of disability simi-
16 lar (as determined by the Secretary in con-
17 sultation with the Secretary of Health and
18 Human Services) to the level of disability
19 described in subclause (I), or

20 “(ii) having a similar level of disabil-
21 ity due to cognitive impairment.

22 “(B) ACTIVITIES OF DAILY LIVING.—For
23 purposes of subparagraph (A), each of the fol-
24 lowing is an activity of daily living:

1 “(i) MOBILITY.—The process of walk-
2 ing or wheeling on a level surface which
3 may include the use of an assistive device
4 such as a cane, walker, wheelchair, or
5 brace.

6 “(ii) DRESSING.—The overall complex
7 behavior of getting clothes from closets
8 and drawers and then getting dressed.

9 “(iii) TOILETING.—The act of going
10 to the toilet room for bowel and bladder
11 function, transferring on and off the toilet,
12 cleaning after elimination, and arranging
13 clothes or the ability to voluntarily control
14 bowel and bladder function, or in the event
15 of incontinence, the ability to maintain a
16 reasonable level of personal hygiene.

17 “(iv) TRANSFER.—The process of get-
18 ting in and out of bed or in and out of a
19 chair or wheelchair.

20 “(v) EATING.—The process of getting
21 food from a plate or its equivalent into the
22 mouth.

23 “(3) QUALIFIED FACILITY.—The term ‘quali-
24 fied facility’ means—

1 “(A) a nursing, rehabilitative, hospice, or
2 adult day care facility (including a hospital, re-
3 tirement home, nursing home, skilled nursing
4 facility, intermediate care facility, or similar in-
5 stitution)—

6 “(i) which is licensed under State law,
7 or

8 “(ii) which is a certified facility for
9 purposes of title XVIII or XIX of the So-
10 cial Security Act, or

11 “(B) an individual’s home if a licensed
12 health care practitioner certifies that without
13 home care the individual would have to be cared
14 for in a facility described in subparagraph (A).

15 “(4) MAINTENANCE OR PERSONAL CARE SERV-
16 ICES.—The term ‘maintenance or personal care serv-
17 ices’ means any care the primary purpose of which
18 is to provide needed assistance with any of the ac-
19 tivities of daily living described in paragraph (2)(B).

20 “(5) LICENSED HEALTH CARE PRACTI-
21 TIONER.—The term ‘licensed health care practi-
22 tioner’ means any physician (as defined in section
23 1861(r) of the Social Security Act) and any reg-
24 istered professional nurse, licensed social worker, or

1 other individual who meets such requirements as
2 may be prescribed by the Secretary.

3 “(d) CONTINUATION COVERAGE EXCISE TAX NOT
4 TO APPLY.—This section shall not apply in determining
5 whether section 4980B (relating to failure to satisfy con-
6 tinuation coverage requirements of group health plans) ap-
7 plies.

8 “(e) INFLATION ADJUSTMENT OF \$200 BENEFIT
9 LIMIT.—

10 “(1) IN GENERAL.—In the case of a calendar
11 year after 1994, the \$200 amount contained in sub-
12 section (b)(1)(B) shall be increased for such cal-
13 endar year by the medical care cost adjustment for
14 such calendar year. If any increase determined
15 under the preceding sentence is not a multiple of
16 \$10, such increase shall be rounded to the nearest
17 multiple of \$10.

18 “(2) MEDICAL CARE COST ADJUSTMENT.—For
19 purposes of paragraph (1), the medical care cost ad-
20 justment for any calendar year is the percentage (if
21 any) by which—

22 “(A) the medical care component of the
23 Consumer Price Index (as defined in section
24 1(f)(5)) for August of the preceding calendar
25 year, exceeds

1 “(B) such component for August of 1993.”

2 (b) CLERICAL AMENDMENT.—The table of sections
3 for such subpart E is amended by inserting after the item
4 relating to section 818 the following new item:

“Sec. 818A. Treatment of long-term care insurance or plans.”

5 **SEC. 102. EXCLUSION FOR BENEFITS PROVIDED UNDER**
6 **LONG-TERM CARE INSURANCE; INCLUSION**
7 **OF EMPLOYER-PROVIDED COVERAGE.**

8 (a) IN GENERAL.—Subsection (a) of section 104 of
9 the Internal Revenue Code of 1986 (relating to compensa-
10 tion for injuries or sickness) is amended by striking “and”
11 at the end of paragraph (4), by striking the period at the
12 end of paragraph (5) and inserting “, and”, and by insert-
13 ing after paragraph (4) the following new paragraph:

14 “(6) benefits under a long-term care insurance
15 contract (as defined in section 818A(b)).”

16 (b) INCLUSION OF EMPLOYER-PROVIDED COV-
17 ERAGE.—Section 106 of such Code (relating to contribu-
18 tions by employer to accident and health plans) is amend-
19 ed by adding at the end thereof the following sentence:
20 “The preceding sentence shall not apply to any plan pro-
21 viding coverage for long-term care services.”

22 **SEC. 103. QUALIFIED LONG-TERM SERVICES TREATED AS**
23 **MEDICAL CARE.**

24 (a) GENERAL RULE.—Paragraph (1) of section
25 213(d) of the Internal Revenue Code of 1986 (defining

1 medical care) is amended by striking “or” at the end of
2 subparagraph (B), by redesignating subparagraph (C) as
3 subparagraph (D), and by inserting after subparagraph
4 (B) the following new subparagraph:

5 “(C) for qualified long-term care services
6 (as defined in section 818A(c)), or”.

7 (b) DEDUCTION FOR LONG-TERM CARE EXPENSES
8 FOR PARENT OR GRANDPARENT.—Section 213 of such
9 Code (relating to deduction for medical expenses) is
10 amended by adding at the end the following new sub-
11 section:

12 “(g) SPECIAL RULE FOR CERTAIN LONG-TERM CARE
13 EXPENSES.—For purposes of subsection (a), the term ‘de-
14 pendent’ shall include any parent or grandparent of the
15 taxpayer for whom the taxpayer has expenses for long-
16 term care services described in section 818A(c), but only
17 to the extent of such expenses.”

18 (c) TECHNICAL AMENDMENTS.—

19 (1) Subparagraph (D) of section 213(d)(1) of
20 such Code (as redesignated by subsection (a)) is
21 amended by striking “subparagraphs (A) and (B)”
22 and inserting “subparagraphs (A), (B), and (C)”.

23 (2)(A) Paragraph (1) of section 213(d) of such
24 Code is amended by adding at the end thereof the
25 following new flush sentence:

1 “In the case of a long-term care insurance contract
 2 (as defined in section 818A), only eligible long-term
 3 care premiums (as defined in paragraph (10)) shall
 4 be taken into account under subparagraph (D).”

5 (B) Subsection (d) of section 213 is amended
 6 by adding at the end the following new paragraph:

7 “(10) ELIGIBLE LONG-TERM CARE PRE-
 8 MIUMS.—

9 “(A) IN GENERAL.—For purposes of this
 10 section, the term ‘eligible long-term care pre-
 11 miums’ means the amount paid during a tax-
 12 able year for any long-term care insurance con-
 13 tract (as defined in section 818A) covering an
 14 individual, to the extent such amount does not
 15 exceed the limitation determined under the fol-
 16 lowing table:

“In the case of an individual with an attained age before the close of the taxable year of:	The limitation is:
40 or less	\$200
More than 40 but not more than 50	375
More than 50 but not more than 60	750
More than 60 but not more than 70	1,600
More than 70	2,000.

17 “(B) INDEXING.—

18 “(i) IN GENERAL.—In the case of any
 19 taxable year beginning in a calendar year
 20 after 1993, each dollar amount contained
 21 in paragraph (1) shall be increased by the

1 medical care cost adjustment of such
2 amount for such calendar year. If any in-
3 crease determined under the preceding sen-
4 tence is not a multiple of \$10, such in-
5 crease shall be rounded to the nearest mul-
6 tiple of \$10.

7 “(ii) MEDICAL CARE COST ADJUST-
8 MENT.—For purposes of clause (i), the
9 medical care cost adjustment for any cal-
10 endar year is the percentage (if any) by
11 which—

12 “(I) the medical care component
13 of the Consumer Price Index (as de-
14 fined in section 1(f)(5)) for August of
15 the preceding calendar year, exceeds

16 “(II) such component for August
17 of 1991.”

18 (3) Paragraph (6) of section 213(d) of such
19 Code is amended—

20 (A) by striking “subparagraphs (A) and
21 (B)” and inserting “subparagraphs (A), (B),
22 and (C)”, and

23 (B) by striking “paragraph (1)(C)” in sub-
24 paragraph (A) and inserting “paragraph
25 (1)(D)”.

1 (4) Paragraph (7) of section 213(d) of such
2 Code is amended by striking “subparagraphs (A)
3 and (B)” and inserting “subparagraphs (A), (B),
4 and (C)”.

5 **SEC. 104. CERTAIN EXCHANGES OF LIFE INSURANCE CON-**
6 **TRACTS FOR LONG-TERM CARE INSURANCE**
7 **CONTRACTS NOT TAXABLE.**

8 Subsection (a) of section 1035 of the Internal Reve-
9 nue Code of 1986 (relating to certain exchanges of insur-
10 ance contracts) is amended by striking the period at the
11 end of paragraph (3) and inserting “; or”, and by adding
12 at the end thereof the following new paragraph:

13 “(4) a contract of life insurance or an endow-
14 ment or annuity contract for a long-term care insur-
15 ance contract (as defined in section 818A).”

16 **SEC. 105. EXCLUSION FROM GROSS INCOME FOR AMOUNTS**
17 **WITHDRAWN FROM INDIVIDUAL RETIRE-**
18 **MENT PLANS OR 401(k) PLANS FOR LONG-**
19 **TERM CARE INSURANCE.**

20 (a) IN GENERAL.—Part III of subchapter B of chap-
21 ter 1 of the Internal Revenue Code of 1986 (relating to
22 items specifically excluded from gross income) is amended
23 by redesignating section 137 as section 138 and by insert-
24 ing after section 136 the following new section:

1 **“SEC. 137. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT**
2 **ACCOUNTS AND SECTION 401(k) PLANS FOR**
3 **LONG-TERM CARE INSURANCE.**

4 “(a) GENERAL RULE.—The amount includible in the
5 gross income of an individual for the taxable year by rea-
6 son of qualified distributions during such taxable year
7 shall not exceed the excess of—

8 “(1) the amount which would (but for this sec-
9 tion) be so includible by reason of such distributions,
10 over

11 “(2) the aggregate premiums paid by such indi-
12 vidual during such taxable year for any long-term
13 care insurance contract (as defined in section 818A)
14 for the benefit of such individual or the spouse of
15 such individual.

16 “(b) QUALIFIED DISTRIBUTION.—For purposes of
17 this section, the term ‘qualified distribution’ means any
18 distribution to an individual from an individual retirement
19 account or a section 401(k) plan if such individual has
20 attained age 59½ on or before the date of the distribution
21 (and, in the case of a distribution used to pay premiums
22 for the benefit of the spouse of such individual, such
23 spouse has attained age 59½ on or before the date of the
24 distribution).

25 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) INDIVIDUAL RETIREMENT ACCOUNT.—The
2 term ‘individual retirement account’ has the mean-
3 ing given such term by section 408(a).

4 “(2) SECTION 401(k) PLAN.—The term ‘section
5 401(k) plan’ means any employer plan which meets
6 the requirements of section 401(a) and which in-
7 cludes a qualified cash or deferred arrangement (as
8 defined in section 401(k)).

9 “(d) SPECIAL RULES FOR SECTION 401(k) PLANS.—

10 “(1) WITHDRAWALS CANNOT EXCEED ELEC-
11 TIVE CONTRIBUTIONS UNDER QUALIFIED CASH OR
12 DEFERRED ARRANGEMENT.—This section shall not
13 apply to any distribution from a section 401(k) plan
14 to the extent the aggregate amount of such distribu-
15 tions for the use described in subsection (a) exceeds
16 the aggregate employer contributions made pursuant
17 to the employee’s election under section 401(k)(2).

18 “(2) WITHDRAWALS NOT TO CAUSE DISQUALI-
19 FICATION.—A plan shall not be treated as failing to
20 satisfy the requirements of section 401, and an ar-
21 rangement shall not be treated as failing to be a
22 qualified cash or deferred arrangement (as defined
23 in section 401(k)(2)), merely because under the plan
24 or arrangement distributions are permitted which

1 are excludable from gross income by reason of this
2 section.”

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 401(k) of such Code is amended by
5 adding at the end the following new paragraph:

6 “(11) CROSS REFERENCE.—

“For provision permitting tax-free withdrawals
for payment of long-term care premiums, see section
137.”

7 (2) Section 408(d) of such Code is amended by
8 adding at the end the following new paragraph:

9 “(8) CROSS REFERENCE.—

“For provision permitting tax-free withdrawals
from individual retirement accounts for payment of
long-term care premiums, see section 137.”

10 (3) The table of sections for such part III is
11 amended by striking the last item and inserting the
12 following new items:

“Sec. 137. Distributions from individual retirement accounts and
section 401(k) plans for long-term care insurance.
“Sec. 138. Cross references to other Acts.”

13 **SEC. 106. TAX TREATMENT OF ACCELERATED DEATH BENE-**
14 **FITS UNDER LIFE INSURANCE CONTRACTS.**

15 Section 101 of the Internal Revenue Code of 1986
16 (relating to certain death benefits) is amended by adding
17 at the end thereof the following new subsection:

18 “(g) TREATMENT OF CERTAIN ACCELERATED
19 DEATH BENEFITS.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, any amount paid or advanced to an individual
3 under a life insurance contract on the life of an in-
4 sured—

5 “(A) who is a terminally ill individual, or

6 “(B) who is a chronically ill individual (as
7 defined in section 818A(c)(2)) who is confined
8 to a qualified facility (as defined in section
9 818A(c)(3)(A)),

10 shall be treated as an amount paid by reason of the
11 death of such insured.

12 “(2) TERMINALLY ILL INDIVIDUAL.—For pur-
13 poses of this subsection, the term ‘terminally ill indi-
14 vidual’ means an individual who has been certified
15 by a physician as having an illness or physical condi-
16 tion which can reasonably be expected to result in
17 death in 12 months or less.

18 “(3) PHYSICIAN.—For purposes of this sub-
19 section, the term ‘physician’ has the meaning given
20 to such term by section 213(d)(4).”

21 **SEC. 107. EFFECTIVE DATE.**

22 The amendments made by this title shall apply to tax-
23 able years beginning after December 31, 1993.

1 **TITLE II—PROTECTION OF AS-**
2 **SETS UNDER MEDICAID**
3 **THROUGH USE OF QUALIFIED**
4 **LONG-TERM CARE INSUR-**
5 **ANCE**

6 **SEC. 201. PROTECTION OF ASSETS THROUGH USE OF**
7 **QUALIFIED LONG-TERM CARE INSURANCE.**

8 (a) IN GENERAL.—Title XIX of the Social Security
9 Act is amended by adding at the end the following new
10 section:

11 “SPECIAL RULES FOR ASSET DISREGARD IN THE CASE OF
12 QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS

13 “SEC. 1931. (a) IN GENERAL.—Each State plan
14 under this title, as a condition for the receipt of payment
15 under section 1903(a) with respect to long-term care serv-
16 ices (as defined in subsection (c)(1)), shall provide that
17 in determining the eligibility of an individual for medical
18 assistance under the plan with respect to such services
19 there shall be disregarded some or all of the individual’s
20 assets which are attributable (as determined under sub-
21 section (c)(2)) to coverage under a qualified long-term
22 care insurance contract (as defined in subsection (b)).

23 “(b) QUALIFIED LONG-TERM CARE INSURANCE
24 CONTRACT DEFINED.—In this section, the term ‘qualified
25 long-term care insurance contract’ means, with respect to

1 a State, a long-term care insurance contract (as defined
2 in section 818A(b) of the Internal Revenue Code of 1986)
3 which—

4 “(1) provides such protection against the costs
5 of receiving long-term care services as the State may
6 require by law;

7 “(2) provides that benefits under the contract
8 shall be paid without regard to eligibility for medical
9 assistance under this title; and

10 “(3) meets such other requirements (such as re-
11 quirements relating to premiums, disclosure, mini-
12 mum benefits, rights of conversion, and standards
13 for claims processing) as the State may determine to
14 be appropriate.

15 “(c) OTHER DEFINITIONS.—In this section:

16 “(1) LONG-TERM CARE SERVICES.—The term
17 ‘long-term care services’ means nursing facility serv-
18 ices, home health care services, and home and com-
19 munity-based services, and includes such other simi-
20 lar items and services described in section 1905(a)
21 as a State may specify.

22 “(2) ATTRIBUTION RULES.—An individual’s as-
23 sets are considered to be ‘attributable’ to a qualified
24 long-term care insurance contract to the extent spec-

1 ified under the State plan. Such a plan shall provide
2 for at least one of the following:

3 “(A) All assets are considered attributable
4 if the insurance contract provides coverage for
5 at least a specified period of coverage (of not
6 less than 3 years and of not more than 6 years)
7 for long-term care services.

8 “(B) An amount of assets, up to the dollar
9 limitation on benefits for long-term care serv-
10 ices under the contract, is considered attrib-
11 utable to the contract.”.

12 (b) CONFORMING AMENDMENT.—Section
13 1902(a)(17)(A) of such Act (42 U.S.C. 1396a(a)(17)(A))
14 is amended by inserting “and section 1931” after “objec-
15 tives of this title”.

16 (c) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by
18 this section shall apply (except as provided under
19 paragraph (2)) to payments to States under title
20 XIX of the Social Security Act for calendar quarters
21 beginning on or after one year after the date of the
22 enactment of this Act, without regard to whether
23 regulations to implement such amendment are pro-
24 mulgated by such date.

1 (2) DELAY PERMITTED IF STATE LEGISLATION
2 REQUIRED.—In the case of a State plan for medical
3 assistance under title XIX of the Social Security Act
4 which the Secretary of Health and Human Services
5 determines requires State legislation (other than leg-
6 islation authorizing or appropriating funds) in order
7 for the plan to meet the additional requirements im-
8 posed by the amendments made by this section, the
9 State plan shall not be regarded as failing to comply
10 with the requirements of such title solely on the
11 basis of its failure to meet these additional require-
12 ments before the first day of the first calendar quar-
13 ter beginning after the close of the first regular ses-
14 sion of the State legislature that begins after the
15 date of the enactment of this Act. For purposes of
16 the previous sentence, in the case of a State that has
17 a 2-year legislative session, each year of such session
18 shall be deemed to be a separate regular session of
19 the State legislature.

20 **TITLE III—STUDIES**

21 **SEC. 301. FEASIBILITY OF ENCOURAGING HEALTH CARE** 22 **PROVIDERS TO DONATE SERVICES TO HOME-** 23 **BOUND PATIENTS.**

24 The Comptroller General of the United States shall
25 conduct a study on the feasibility of encouraging health

1 care providers to donate their services to homebound pa-
 2 tients. Such study shall include an examination of the ef-
 3 fects of qualifying such services as a charitable contribu-
 4 tion.

5 **SEC. 302. FEASIBILITY OF TAX CREDIT FOR HEADS OF**
 6 **HOUSEHOLDS WHO CARE FOR ELDERLY FAM-**
 7 **ILY MEMBERS IN THEIR HOMES.**

8 The Comptroller General of the United States shall
 9 conduct a study on the feasibility of providing heads of
 10 households who care for elderly family members in their
 11 homes with a tax credit. Such study shall estimate the
 12 cost of such a tax credit which would apply to expenses
 13 incurred in the custodial care of such an elderly family
 14 member to the extent such expenses exceed 5 percent of
 15 adjusted gross income.

○

HR 2816 IH——2

HR 2816 IH——3